



ORIGINAL

September 6, 2000

Ms. Blanca S. Bayo
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**RE: DOCKET NO. 000108-GU
CHESAPEAKE UTILITIES CORPORATION
COMPANY RESPONSE TO ENGINEERING REPORT**

Dear Ms. Bayo:

The Florida Division of Chesapeake Utilities Corporation makes the following response to the Florida Public Service Commission regarding the Chesapeake Rate Case, Docket Number 000108-GU/Plant Allocation (Schedule B-5, I-4 & G-1, pages 191 thru 196) dated July 21, 2000.

Allocation of Common Plant

The Commission staff proposes the adjustments to the Allocations of Common Plant in the Projected Test Year as shown on Attachment 1.

Company Response: The Company does not oppose the adjustments to the Allocations of Common Plant as shown on Attachment 1, as adjusted to account for all recommendations contained within the Engineering report (shown on Attachment 2); however, the Company believes that similar adjustments to Accumulated Depreciation also need to be made as shown on Attachment 3.

Construction Budget for the Historic Base Year + 1 Schedule G-1 Page 23 of 28.

The Staff recommends that Line 2 – Account #376 – NEW MAINS should be adjusted to account for several proposed Contribution-In-Aid of Construction amounts.

Company Response: The Company has already netted against the NEW MAINS account (\$2,002,079) all proposed Contribution-In-Aid of Construction amounts. Please see the attached response to Staff's First Set of Interrogatories Number 4 (Attachment 4) relating to the Historic Base Year + 1 New Mains schedule contained within the MFR's. Therefore, no additional adjustment is necessary for this account.

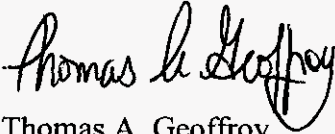
Central Florida Gas Company
A Division of Chesapeake Utilities Corporation

DOCUMENT NUMBER-DATE

11163 SEP-88

The Company does not oppose any other adjustments contained in the Engineering Report, including the adjustments to Line 26 – Account 392 – Transportation Equipment to increase the rate base by \$3,018 and to Line 29 – Account 396 – Power Operated Equipment to increase the rate base by \$12,500.

Sincerely,

A handwritten signature in black ink that reads "Thomas A. Geoffroy". The signature is written in a cursive style with a large, looping initial "T".

Thomas A. Geoffroy
Assistant Vice President

Attachment

Cc: Wayne Schiefelbein, Esquire

CHESAPEAKE ALLOCATION

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
15	374	LAND	\$28,635	0.0%	\$0
16	375	STRUCTURE & IMPROVEMENTS	251,056	0.0%	0
17	387	OTHE EQUIPMENT	328,073	0.0%	0
18	389	LAND	98,285	0.0%	0
19	390	STRUCTURE & IMPROVEMENTS	332,834	0.0%	0
20	391	OFFICE FURN. & EQUIPMENT	420,456	7.2%	30,474
21	392	AUTO & TRUCKS	973,873	7.2%	70,586
22	394	TOOL, SHOP, & GARAGE EQUIP.	89,061	0.0%	0
23	396	POWER OPERATED EQUIPMENT	374,435	0.0%	0
24	397	COMMUNICATION EQUIPMENT	97,610	7.2%	7,075
25	398	MISC EQUIP (SPECIFY)	50,583	0.0%	0
26		TOTAL	\$3,044,901		\$108,135

STAFF RECOMMENDATION (AS ADJUSTED)

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
15	374	LAND	\$28,635	0.0%	\$0
16	375	STRUCTURE & IMPROVEMENTS	251,056	4.3%	10,795
17	387	OTHE EQUIPMENT	328,073	7.2%	23,477
18	389	LAND	98,285	33.5%	32,925
19	390	STRUCTURE & IMPROVEMENTS	332,834	33.5%	111,499
20	391	OFFICE FURN. & EQUIPMENT	420,456	7.2%	30,272
21	392	AUTO & TRUCKS	973,873	22.2%	216,200
22	394	TOOL, SHOP, & GARAGE EQUIP.	89,061	0.0%	0
23	396	POWER OPERATED EQUIPMENT	374,435	0.0%	0
24	397	COMMUNICATION EQUIPMENT	97,610	7.2%	7,027
25	398	MISC EQUIP (SPECIFY)	50,583	0.0%	0
26		TOTAL	\$3,044,901		\$432,195

CHESAPEAKE ALLOCATION

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
15	374	LAND	\$28,835	0.0%	\$0
16	375	STRUCTURE & IMPROVEMENTS	251,056	0.0%	0
17	387	OTHE EQUIPMENT	328,073	0.0%	0
18	389	LAND	98,285	0.0%	0
19	390	STRUCTURE & IMPROVEMENTS	332,834	0.0%	0
20	391	OFFICE FURN. & EQUIPMENT	420,456	7.2%	30,474
21	392	AUTO & TRUCKS	973,873	7.2%	70,586
22	394	TOOL, SHOP, & GARAGE EQUIP.	89,061	0.0%	0
23	396	POWER OPERATED EQUIPMENT	374,435	0.0%	0
24	397	COMMUNICATION EQUIPMENT	97,610	7.2%	7,075
25	398	MISC EQUIP (SPECIFY)	50,583	0.0%	0
26		TOTAL	\$3,044,901		\$108,135

STAFF RECOMMENDATION (AS ADJUSTED)

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
15	374	LAND	\$28,635	0.0%	\$0
16	375	STRUCTURE & IMPROVEMENTS	251,056	4.3%	10,795
17	387	OTHE EQUIPMENT	328,073	7.2%	23,621
18	389	LAND	98,285	33.5%	32,925
19	390	STRUCTURE & IMPROVEMENTS	332,834	33.5%	111,499
20	391	OFFICE FURN. & EQUIPMENT	420,456	7.2%	30,273
21	392	AUTO & TRUCKS	978,891	22.2%	216,870
22	394	TOOL, SHOP, & GARAGE EQUIP.	89,061	0.0%	0
23	396	POWER OPERATED EQUIPMENT	386,935	0.0%	0
24	397	COMMUNICATION EQUIPMENT	97,610	7.2%	7,028
25	398	MISC EQUIP (SPECIFY)	50,583	0.0%	0
26		TOTAL	\$3,060,419		\$433,012

CHESAPEAKE ALLOCATION

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
13	374	LAND	\$0	0.0%	\$0
14	375	STRUCTURE & IMPROVEMENTS	55,545	0.0%	0
15	387	OTHE EQUIPMENT	190,140	0.0%	0
16	389	LAND	0	0.0%	0
17	390	STRUCTURE & IMPROVEMENTS	96,122	0.0%	0
18	391	OFFICE FURN. & EQUIPMENT	196,762	7.2%	14,261
19	392	AUTO & TRUCKS	587,014	7.2%	42,547
20	394	TOOL, SHOP, & GARAGE EQUIP.	32,539	0.0%	0
21	396	POWER OPERATED EQUIPMENT	166,355	0.0%	0
22	397	COMMUNICATION EQUIPMENT	47,939	7.2%	3,475
23	398	MISC EQUIP (SPECIFY)	18,526	0.0%	0
24		TOTAL	\$1,390,942		\$60,283

STAFF RECOMMENDATION (AS ADJUSTED)

LINE NO.	ACCOUNT NUMBER	DESCRIPTION	13 MONTH AVERAGE	NONUTILITY %	13 MONTH AVG NONUTILITY
15	374	LAND	\$0	0.0%	\$0
16	375	STRUCTURE & IMPROVEMENTS	55,545	4.3%	2,388
17	387	OTHE EQUIPMENT	190,140	7.2%	13,690
18	389	LAND	0	33.5%	0
19	390	STRUCTURE & IMPROVEMENTS	96,122	33.5%	32,201
20	391	OFFICE FURN. & EQUIPMENT	196,762	7.2%	14,167
21	392	AUTO & TRUCKS	587,014	22.2%	130,317
22	394	TOOL, SHOP, & GARAGE EQUIP.	32,539	0.0%	0
23	396	POWER OPERATED EQUIPMENT	166,355	0.0%	0
24	397	COMMUNICATION EQUIPMENT	47,939	7.2%	3,452
25	398	MISC EQUIP (SPECIFY)	18,526	0.0%	0
26		TOTAL	\$1,390,942		\$196,215

Attachment 4

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA DIVISION OF
CHESAPEAKE UTILITIES CORPORATION (NOS. 1 - 15)
DOCKET NO. 000108-GU

INTERROGATORIES

Interrogatory No.4

For Account 376, New Mains, on Schedule G-1, Bates-stamped
page 200 of Chesapeake's MFRs, please explain the nature of
the negative addition in November 2000 of \$102,192.

Answer

(Williams)

The Company projects the receipt of a CIAC payment from the
State of Florida for Holmes Correctional Institution which
is in excess of projected additions for November 2000.